

Flexible Funding for States & Tribes

Quick Reference Fact Sheet

Reinvention is the new way EPA is carrying out its mission. EPA's reinvention philosophy is to focus on improved environmental results, allowing flexibility in how results are achieved; to share information and decision-making with all stakeholders; to create incentives for compliance with environmental requirements; and to lessen the burden of complying with environmental requirements. Through reinvention, EPA is improving the way that it protects public health and the environment so that America can enjoy continued environmental improvement at reasonable cost.

Objective: Allow states and tribes the option to combine funds from two or more eligible EPA grant programs, so that limited resources can be used more efficiently and can be directed to the most significant environmental problems.

Background: EPA provides a number of grants to states and tribes to assist them in administering environmental protection programs. In FY 1996 approximately \$680 million was awarded to states and tribes for program implementation of parts of the Clean Air Act Amendments, Clean Water Act, Safe Drinking Water Act, Resource Conservation and Recovery Act, Federal Insecticide, Fungicide, and Rodenticide Act, and other statutes. Funds awarded in each of these categorical grants are for a specified program or activity and are subject to specific limits on eligible activities.

Because of the number of separate grants the states and tribes have difficulty integrating programs in a common sense way, or targeting funds to highest priority environmental problems. Recognizing this problem, the Agency has been awarding grants to Indian tribes to conduct planning and to develop and establish multimedia programs. In FY 1995 and FY 1996, EPA conducted demonstration projects with three states to enable them to better coordinate certain activities such as watershed protection and facility inspections, which are traditionally conducted under separate EPA grants. These demonstrations were run using existing authority -- which was limited and could not be expanded to cover the full range of state and tribal environmental protection needs.

Description: As of April 1996, EPA obtained legislative authority to award Performance Partnership Grants (PPGs) to states, local governments, and federally-recognized Indian tribes. PPGs now offer eligible states and tribes the option to combine two or more funds which would otherwise be awarded as categorical grants.

The major benefit of PPGs is to improve the ability of states and tribes to integrate programs. Meanwhile, the National Environmental Performance Partnership System (NEPPS), signed by the Administrator and

State environmental program leaders on May 17, 1995, gives strong state programs more leeway to set environmental priorities, design new strategies, and manage their own programs, while concentrating EPA oversight and technical assistance on weaker programs. This system envisions a trend toward state program self-management and flexibility while improving environmental and programmatic accountability to Congress and the public. PPGs and NEPPS together will afford states and tribes flexibility to focus resources on the most serious environmental problems, encourage broad intergovernmental dialogue, and encourage public participation in environmental decision making.

Accomplishments to Date:

- ✓ In May 1995, EPA and state environmental leaders agreed to jointly establish the NEPPS.
- ✓ The Agency published Interim Guidance for PPGs in December 1995.
- ✓ In April 1996, the FY 96 Appropriations Bill for EPA authorized PPGs for FY 97 and beyond.
- ✓ EPA signed the first two PPGs with Colorado and Utah on May 16, 1996.
- ✓ In July, EPA updated the Interim Guidance for PPGs for use in FY 1997. This document has been distributed to the states and tribes.

Next Steps:

- Respond quickly to state requests for PPGs in FY 1997. Thirty-three states have signed PPGs.
- Work with states to use environmental strategies and priorities in NEPPS to help shape funding options.
- Collaborate with states on developing improved environmental and program performance measures.
- Revise existing grant regulations to reflect new PPG authority.

EPA Contact:

Chuck Kent 202/260-2462
e-mail: kent.chuck@epamail.epa.gov
Jack Bowles 303/312-6315
e-mail: bowles.jack@epamail.epa.gov